IN THE HIGH COU RT OF PUNJAB AND HARYANA AT CHANDIGARH.

I.T.R. No.186 of 1995
Date of decision: 29.11.2006

The Commissioner of Income Tax, Jalandhar.

---Applicant

Vs.

M/s Siri Karni Namkin Bhandar, Moga.

-----Respondent

CORAM:- HON'BLE MR JUSTICE ADARSH KUMAR GOEL
HON'BLE MR JUSTICE RAJESH BINDAL

Present: Dr. N.L. Sharda, Advocate
for the revenue.

Mr. Pankaj Jain, Advocate
for the assessee.

ORDER:

Following question of law has been referred for opinion of this Court by the Income Tax Appellate Tribunal, Amritsar Bench, Amritsar, arising out of its order dated 12.04.1991 in I.T.A. No.1077(ASR)/1990 in respect of assessment year 1987-88:-

> "Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in law in upholding the order of Deputy Commissioner of Income-tax (Appeals) who deleted the addition of Rs.70000/- in the firm on account of unexplained cash credits found in the capital accounts of the parties appearing in the books of accounts maintained by the firm?"

Learned counsel for the revenue does not dispute that the issue involved in the question referred, has been gone into by this Court, recently, in order dated 06.11.2006 in I.T.A. No.370 of 2006 ***Commissioner of Income-tax, Chandigarh-II*** **v.** ***M/s Metal & Metals of India, Mohali*** and order dated 07.11.2006 in I.T.R. No.80 of 1998 ***The Commissioner of Income-tax, Jalandhar***

v. ***M/s Bhagwati Rubber & Chemicals, Jalandhar***, wherein, the question has been answered against the revenue and it has been held that un-explained investment of a partner in the accounts of the firm does not call for addition to the income of the firm and only addition to the income of the partner may be called for.

In view of above, the question referred is answered against the revenue and in favour of the assessee.

The reference is disposed of.

(ADARSH KUMAR GOEL)
JUDGE

November 29, 2006 **(RAJESH BINDAL)**
ashwani **JUDGE**